

Research Article

Green Hiring and Employee Innovation in Sustainable Organizations

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ORCIDNadia Adriane Ricadonna: <https://orcid.org/0009-0004-5983-7187>**Abstract.**

This research aims to further explore the impact of Green Human Resource Management (GHRM) practices on green innovative work behavior at Bank Syariah Indonesia. GHRM practices include green hiring, green training, and green compensation, all of which are designed to foster environmentally responsible behavior that supports sustainability. Employees can embody the company's green values by maintaining an eco-friendly workplace. The study sample consists of employees from Bank Syariah Indonesia, and the analysis is conducted using a structural equation model (SEM) with AMOS. Based on the literature review, GHRM, which encompasses green hiring, green training, and green compensation, has a positive and significant impact on innovative work behavior and enhances organizational performance. Organizations that implement GHRM should prioritize environmental sustainability and adopt green hiring, training, and compensation strategies for their employees. GHRM offers numerous benefits, one of which is improved employee performance.

Keywords: green HRM, green hiring, green training, green compensation, innovative work behavior

1. Introduction

Green Human Resource Management (GHRM) is a key advantage for organizations that implement sustainable practices. Many industries have adopted GHRM practices to achieve green business objectives and promote innovative behavior.

The Islamic banking industry implements green business practices aimed at achieving the Sustainable Development Goals (SDGs). The implementation of these SDGs is expected to promote sustainable finance. Bank Syariah Indonesia is committed to adopting a GHRM approach through recruitment, training and education, and compensation for both prospective and current employees.

Managing human resources in an environmentally friendly manner is crucial for sustainability. The primary goal is to encourage responsible behavior toward the

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environment. Implementing human resource management practices that promote eco-friendliness—such as environmental training, sustainable workplace design, and performance assessments—serves as an effective strategy to reinforce the organization's commitment to sustainability. Effective human resource management positively influences the achievement of green sustainability within the organization [6].

Research on the influence of Green Human Resource Management (GHRM) on innovative work behavior (IWB) remains limited. While some researchers have examined the impact of Human Resource Management (HRM) on innovation, studies specifically focusing on the effect of GHRM on innovative work behavior are still rare and require further investigation [14]. The purpose of this study is to evaluate the impact of Green Human Resource Management (GHRM) on innovative work behavior.

2. Methods

This study employs a quantitative method. The population consists of employees from the Central Java branch office of Bank Syariah Indonesia, with a sample of 100 employees. The analysis tool used is SEM AMOS. Two types of hypothesis testing will be conducted: (1) model testing and (2) causality hypothesis testing. Model testing includes: (a) goodness-of-fit, which consists of (i) absolute fit measures and (ii) incremental fit measures.

3. Result And Discussion

Companies that adopt eco-friendly practices can attract employees who are motivated to work in a “green business” environment. Building a reputation as a “green employer” is an effective strategy for recruiting applicants. When hiring employees, companies must communicate their commitment to environmental responsibility. Green hiring is essential for cultivating a workforce that is mindful of environmental issues, ultimately enhancing environmental performance.

Green awareness is a key factor in eco-friendly recruitment and selection. Personal awareness, which includes conscientiousness, friendliness, and environmental consciousness, supports the organization's environmental objectives through creative work practices. Employees who actively value sustainability enhance their environmental knowledge in the workplace, contributing to improved environmental performance and company innovation. Green employer branding refers to a company's image and

reputation in environmental management, which can be strengthened through Green Human Resource Management (GHRM) techniques [12].

Green hiring enhances a company's appeal in environmental management by recruiting individuals who embrace green values. This encourages employees to engage more in eco-friendly activities. Companies should hire individuals who actively participate in environmental practices that promote and sustain green innovation [19].

Green training is considered a top priority for every organization as it supports long-term success. Implementing an environmental approach within an organization requires enhancing employees' skills, awareness, and knowledge. Therefore, environmental management training is essential to foster employee involvement and participation in environmental initiatives. Employee creativity can be enhanced through interpersonal training, which also facilitates the acquisition of new knowledge within the company. As a result, employees can collaborate more effectively with one another [12].

Training and organizational practices can provide employees with opportunities to acquire the knowledge and skills necessary to enhance creativity for innovation. When a company prioritizes training and skill development, employees can develop their knowledge and abilities within a green work environment. This, in turn, can foster the generation of new ideas for green production or process innovation [19].

Improving a company's environmental performance enhances its economic performance. Green targets are established for all employees with the goal of achieving sustainability. Companies can also support environmental efforts by rewarding staff based on environmental performance metrics. The indirect benefits of sustainability initiatives provide a strong foundation for fostering employees' commitment to green objectives. Compensation has a positive impact on creative work behavior. Employees who receive compensation are more likely to reciprocate with discretionary efforts, including innovative work behavior [12].

Green HRM is positively related to employees' green behaviors in academic settings. Companies that implement GHRM provide various resources to employees, such as environmental knowledge and bonuses, to demonstrate their commitment to environmental sustainability. As a result, employees are expected to reciprocate by engaging in environmentally responsible behaviors [14].

GHRM does not have a direct and significant connection to Employee Green Behavior (EGB). Implementing Green HRM practices in an organization does not necessarily mean

that employees will willingly engage in eco-friendly behaviors. Nonetheless, GHRM practices play a crucial role in motivating employees to adopt EGB [8].

Based on the research gap identified above, the following is the proposed research model :

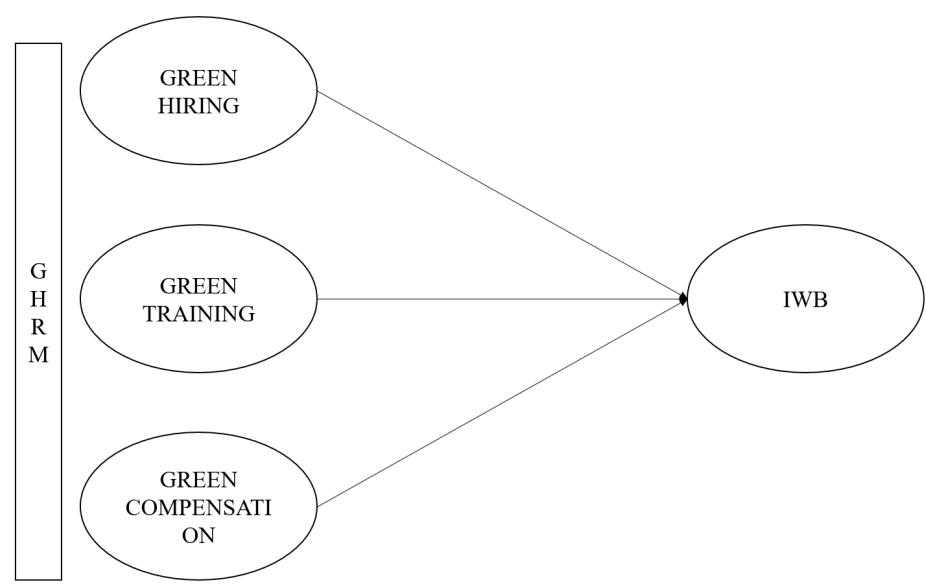


Figure 1: Research Model.

GHRM has a positive and significant impact on Green Innovative Work Behavior (GIWB). HRM practices influence employees’ innovative work behavior. Green training and selection practices encourage employees to develop the skills and expertise needed to enhance innovation [1].

GHRM is viewed as a set of innovative processes within a company committed to a greener future. Thus, GHRM can be considered a series of innovative processes related to green innovation. The role of HR is crucial in planning and implementing GHRM practices that influence organizational citizenship and commitment [15] .

GHRM practices influence employees’ eco-friendly behaviors. When employees feel empowered to participate in eco-friendly initiatives, they perceive GHRM practices positively. Consequently, GHRM practices are seen as genuine eco-friendly actions. Empowered employees drive change and contribute to increased motivation and commitment to eco-friendly creativity [18]

The ‘greening’ process, also known as organizational transformation, aims to motivate workers, improve employee well-being, preserve resources, promote sustainability, and minimize environmental impact. One example of greening behavior is employees’ green

creativity, which involves generating and developing unique ideas and solutions for eco-friendly products and services [7]. GHRM is a key step toward achieving environmental sustainability. It holds critical strategic importance among organizational strategies for gaining a competitive advantage by reducing costs and increasing benefits. Additionally, GHRM has a positive impact on organizational performance [4].

Green selection and recruitment aim to attract prospective employees by highlighting the company's environmental practices and incorporating ecological considerations throughout the hiring process. Green training provides employees with the necessary skills to minimize environmental pollution and promote conservation in the workplace by integrating eco-friendly methods and technologies into training programs. Green assessment and rewards involve evaluating and recognizing employees' contributions that align with the company's environmental goals, responsibilities, and policies. The evaluation process assesses employees' efforts in environmental management, and the company offers financial incentives for outstanding environmental performance [10].

According to Ali et al., (2024) environmentally friendly staff behavior refers to actions taken by employees that positively impact the environment. Employee green behavior is one of several strategies companies use to enhance environmental resilience in the workplace and achieve sustainability targets [5]. Furthermore, according to Miah et al., (2024), GHRM practices such as eco-friendly compensation and rewards, environmental training and development, and eco-friendly recruitment and selection have a positive and significant impact on environmentally friendly behavior [13]. Research conducted by Ahmad et al., (2021) explains that the term "green" in the context of HRM aims to preserve the natural environment (e.g., by minimizing pollution and conserving water). GHRM includes the intentional selection and development of environmentally conscious employees, the provision of environmental training, and the recognition of eco-friendly behavior through formal awards and performance assessments. Environmental training programs enhance employees' knowledge of environmental issues and help them develop the skills necessary for energy conservation and the sustainable use of natural resources (e.g., water) [2]. Sustainable GHRM influences environmentally friendly behavior in the workplace. It encompasses the promotion of eco-friendly values through initiatives such as sustainable personnel practices, which, in turn, enhance employees' environmental awareness [16]. The implementation of GHRM is essential for organizations seeking to achieve environmental objectives, particularly in establishing sustainable human resource management practices for the long term [20]. GHRM is an emerging framework that integrates environmental management with human resource

management. This interdisciplinary approach is expected to enhance sustainability in the workplace. While GHRM has been adopted in the manufacturing sector, it has yet to be implemented in governmental institutions and other sectors [17].

Green training, rewards, and the work environment are key components of GHRM assessment [9]. Individuals within the GHRM system can develop essential green skills, knowledge, and values through green training initiatives. They can participate in activities aimed at solving problems and making improvements related to quality and ecological issues, such as service operations [5] Integrating eco-friendly practices into the human resource sourcing strategy requires adjustments in recruitment, training, and assessment to enhance environmental performance management [11].

4. Conclusion

Companies that implement environmentally friendly principles can attract and recruit employees who are committed to environmental sustainability, making the establishment of a reputation as a “green employer” an effective strategy. By fostering environmental awareness among employees, companies can enhance performance and innovation while simultaneously strengthening their public image through Green Human Resource Management (GHRM) practices.

Green hiring and green training play a crucial role in increasing a company’s appeal and engaging employees in eco-friendly practices. By adopting green branding and offering relevant training, companies can develop employees’ skills, awareness, and creativity, which, in turn, fosters innovation and collaboration to achieve environmental objectives. This approach supports the organization’s long-term success in establishing and sustaining green initiatives.

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